

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
JUNE 21, 2010**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, June 21, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner arrived at 7:03 PM
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

PLEDGE OF ALLEGIANCE (B-22)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (B-36)

Chairman Wayne Schuetter presented the minutes of the May 17, 2010, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Rick Stradtner made a motion to approve the minutes of the May meeting as presented. Ken Sendelweck seconded the motion. Motion approved, 7-0.

IMPA PRESENTATION ON PROPOSED ENERGY EFFICIENCY PROGRAMS (B-48)

Jerry Schitter introduced Chris Retting and Kris Wheeler, from the Indiana Municipal Power Agency (IMPA), who were there to give a presentation on energy efficiency programs that they will be proposing to IMPA's Board in September 2010.

All proposed programs will be administered directly by IMPA, but will be available for use by all of Jasper's customers. No resources would be required from the City, unless they chose to

contribute. IMPA plans to fund the programs directly out of their pocket. IMPA is here only to educate the Board on the proposed programs and to look for support and comments or suggestions on the programs.

One example of a proposed program is a “cash for clunkers” program for a home’s appliances such as dishwashers, washers, dryers, etc. If an energy star product is purchased to replace an existing, working, less energy efficient appliance, a rebate will be given to the customer and the old appliance will be picked up and disposed of by IMPA.

The Board was very interested in the proposed programs and think they will be very beneficial to the City’s customers. IMPA asked the Board to forward any feedback they may have on the programs.

ELECTRIC PLANNING COMMITTEE REPORT (B-498)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month. The Requests for Proposals on the Power Plant project are due on July 1st, so the Committee should be meeting sometime within the next few weeks to review the responses.

Sendelweck also volunteered the Committee to collect the feedback for IMPA on the energy efficiency programs and report back to the Board at the next meeting.

UPDATE ON WATER METER CHANGE-OUTS (B-513)

Mike Oeding stated that there are still 4 homes remaining that need water meters changed out to radio read and several businesses. They have tried contacting these customers at various times throughout the day with no response. They will now try contacting these customers during the evening hours.

MAY 2009 PUMPING TOTALS VS. MAY 2010 PUMPING TOTALS (B-521)

Oeding said in May 2009, the Water Department pumped 54 million gallons of water and in May 2010, the department pumped 61 million gallons. The pumping has picked up in 2010 and as a result the Water Department is in better financial shape than it was in 2009.

GAS PURCHASES THROUGH BP (B-525)

Oeding informed the Board that the City is purchasing gas from BP on their natural gas side and he wanted to address the concerns with the BP oil spill in the Gulf of Mexico. UGM, the City’s gas management company, assured the City that they have other contracts in place, in the unlikely event that BP folds due to the crisis in the Gulf. UGM stated it would be a seamless transition if the City had to switch from BP supplying the gas to the other providers that UGM has contracts with.

PIPELINE SAFETY QUESTIONNAIRE (B-534)

Oeding said that Pipeline Safety is mandating that a safety questionnaire be passed out to the City's customers to gauge the awareness of gas safety. Pipeline Safety is requiring a participation rate of 15% of the City's customers or the City could be fined. The results have to be turned in to Pipeline Safety by the end of the year.

Oeding feels that without an incentive, there will be no way to achieve the minimum 15% participation. Oeding asked the Board for permission to send the questionnaire out as a contest and if the questionnaire was returned, that customer would be entered into a drawing to receive \$100 off their utility bill. The questionnaire would be sent out in a separate mailing, along with a postage paid return envelope.

The City Attorney spoke with the Clerk-Treasurer and they thought the contest would be allowed.

Much discussion followed as to which customers the questionnaire would be mailed to, all customers or just the Gas Utility customers and who would be eligible for the drawing. Also, would the \$100 credit apply to the customer's entire bill or just the gas portion? It was agreed that these questions would be looked into further. Right now, Oeding is only asking for permission to send out the mailing and return mailing and the \$100 incentive.

Alex Emmons made a motion to approve the mailing of the questionnaire, the return mailing and the offering of a \$100 incentive drawing. Doug Schulte seconded the motion. Motion approved, 7-0.

GAS PLANNING COMMITTEE REPORT (B-634)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee met on May 28th to review the rate study that the City commissioned London Witte Group to do. The last rate study was done in 2003 and the proposed rate increase of 1.5% was not instituted. That last actual rate increase was done in 1995.

London Witte suggested a 6.55% rate increase upon the completion of their study to cover the shortfall in revenue. Upon further investigation of how each customer class would be affected by the rate increase, London Witte felt the current rate structure put too much burden on the residential customers. The residential customers seemed to be allocated more of the rate increase than the commercial and industrial customers.

London Witte then questioned if the current rate structure was appropriate in giving a break in price to the customers who purchased the most gas, even if the City paid the same price for the gas, no matter how much was purchased.

Due to the questions on the rate structure, London Witte suggested a cost of service study be done to more fairly distribute the costs across all customer classes. Kerry Heid was suggested by London Witte to do the cost of service study for \$20,000 to \$30,000. The Committee suggested that Hauersperger try and obtain more proposals for this study, which will be discussed later in the meeting.

Another item discussed at the Committee meeting was to institute periodic rate studies for all the Utility departments, perhaps every 3-4 years, versus waiting for shortfalls to happen, to try and stay ahead of the game.

In conclusion, Krodel said the Committee is recommending a cost of service study be done in the most cost effective way.

WATER PLANNING COMMITTEE REPORT (B-741)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

UPDATE ON GRANT PROCESS (B-742)

Ed Hollinden stated that the income survey is complete, the environmental review is done, and three easements have been obtained for this project. Normally the Board of Public Works and Safety accepts and approves Easements and the Mayor signs them, but since they are part of a Utility project, Hollinden said they thought it was better if the Utility Service Board approves and accepts the easements and recommend that the Mayor sign them for recording.

The first Permanent Public Utility and Drainage easement is from Edwin L. Kempf for .03 acres. The next easement is from Jasper Pottery, Inc. by Carl F. Dodson, Secretary for .08 acres and the final easement is from Braun Family Properties, LLC, by Michael Braun, Manager for .08 acres.

Greg Krodel made a motion to accept and approve the Permanent Public Utility and Drainage Easements as described and recommend the Mayor sign the Easements for recording. Rick Stradtner seconded the motion. Motion approved, 7-0.

Sandy Hemmerlein then explained that as part of the grant process, the City had to again go through the grant administration procurement. Four Requests for Proposals were sent out and only one was received back from Indiana 15 Regional Planning Commission. The charges will be \$30,000 for Grant Management and Administration, \$5,000 for Labor Standards and \$3,000 for Environmental Review, for a total of \$38,000. This contract will only be signed and payable, if the grant is received.

Doug Schulte made a motion that if the City receives the OCRA grant, the Utility Service Board will recommend to the Common Council to enter into a contract with Indiana 15 Regional Planning Commission for \$38,000 for Grant Management and Administration, Labor Standards, and Environmental Review. Alex Emmons seconded the motion. Motion approved, 7-0.

Hemmerlein also presented Resolution #USB 2010-11, to recommend to the Common Council to apply for \$650,000 of OCRA funds for the Wastewater project, with a match of approximately \$136,365 and funding to be from Wastewater funds and a minimal amount of Program Income funds that could be leftover from the 4th Street sidewalk and storm sewer improvement project.

Ken Sendelweck made a motion to approve Resolution #USB 2010-11, recommending the Common Council apply for \$650,000 of OCRA funds, with a match of approximately \$136,365 of Wastewater funds and a minimal amount of Program Income funds. Mike Harder seconded the motion. Motion approved, 7-0.

Hollinden also reminded the Board that a Public Hearing will be held on Monday, June 28th at 6:30 PM and invited all of the Board members to attend to show their support of the project. All customers in this area have been invited to attend also.

WASTEWATER PLANNING COMMITTEE REPORT (A-211)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee did not meet during the past month.

CUSTOM PROGRAMMING FOR B/O SOFTWARE (A-212)

Bud Hauersperger presented a quote from Tyler Technologies for custom programming needed for an Accounts Payable export for \$5,000. This export is needed to extract the necessary information for the Civil City to cut the Accounts Payable checks needed each month for the Utilities. This programming was not included in the original contract price, but is a necessity in order to get the checks run each month.

There was discussion that the Board did not feel there was enough of a description as to what the deliverable would be and if this would be an addendum to the original contract signed with Tyler. An addendum would make sure they were covered by insurance while working on this task and that all the items agreed to on the original contract applied to this task as well.

Alex Emmons made a motion to approve the quote of \$5,000 as an addendum to the original contract and terms with the condition of a further explanation of the work to be done. Mike Harder seconded the motion. Motion approved, 7-0.

COST OF SERVICE STUDY FOR GAS DEPT. (A-326)

Hauersperger said he requested proposals from Kerry Heid, Umbaugh, and Jack Gaines for a cost of service study. Umbaugh declined to submit a proposal because they would have subcontracted with Heid to do the work.

Gaines' proposal was very open ended and some tasks did not have dollar figures associated with them. Hauersperger said he called him back and told him he needed to have specific dollar figures to present to the Board. He received the proposal back Friday and it was half of what Heid's proposal totaled. There are still a lot of items that are open ended and he is asking the Utilities to provide a lot of detailed information in a specific format that would require custom program writing from our existing software provider.

Hauersperger said he still doesn't feel like he can compare the two quotes and is going to go back to both consultants and tell them we need a maximum, not to exceed price and try to give them a more detailed scope of work that will be easily comparable.

WASTEWATER RATE STUDY PROPOSAL (A-443)

Hauersperger informed the Board that another rate study needs to be done for the Wastewater Utility due to the bonds they have. A rate study is required every two years. Umbaugh has done the rate studies the last two times. Their quote this time is for \$9,500, which is up from \$8,500.

Hauersperger said he recommends approving the quote, as Umbaugh has the experience with Wastewater and has already done these rates studies for the City in the past, even though the price has gone up.

Alex Emmons made a motion to approve the quote of \$9,500 from Umbaugh to do a rate study for the Wastewater utility. Doug Schulte seconded the motion. Motion approved, 7-0.

2010 CAPITAL EXPENDITURE PLANS (A-512)

Hauersperger said he emailed all of the Board members about the capital expenditure items that were postponed in December 2009 to the second half of 2010. He outlined each item and explained where the money would come from to pay for each item and that all of those accounts are in good shape.

Greg Krodel made a motion to approve the Capital Expenditure plans for the second half of 2010 that were previously postponed. (Copies of the Capital Expenditure plans are attached to the hard copy of the minutes.) Doug Schulte seconded the motion. Motion approved, 7-0.

BEAVER LAKE DAM PROJECT UPDATE (A-551)

Hauersperger informed the Board that the EDA came in on June 18th to have a meeting and went out and looked at the dam. EDA was happy with the new plan, as they did not like the idea of a wall.

EDA also wants the valve tower taken down, which Christopher Burke was planning on doing, but had included the costs in with the contingency instead of having a separate line item cost for it. EDA said there needs to be a separate line item for the removal and to leave the contingency where it was, so the cost estimates had to be adjusted and back to EDA by Wednesday, June 23rd.

Also, OCRA will not accept the City's grant application until a response is received on the EDA grant. The City can still apply for the OCRA grant, even if we receive money from the EDA, but cannot apply until a response is received from EDA. If OCRA money is received, it can work together and help with the matching portion on the EDA grant.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-621)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Rick Stradtner made a motion to approve the claims as presented. Alex Emmons seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 8:46 PM upon motion by Mike Harder and second by Rick Stradtner. Motion approved, 7-0.

The minutes were hereby approved_____ with _____without corrections this _____ day of _____, 2010.

Attest: _____
Secretary Chairman